

ARTICLE APPEARED
ON PAGE **A1**NEW YORK TIMES
23 December 1985

POSSIBLE VIOLATION OF SECURITY RULES IN SPY CASE CITED

By **STEPHEN ENGELBERG**

Special to The New York Times

WASHINGTON, Dec. 22 — The company that employed a deliveryman accused of trying to sell secret documents to the Soviet Union appears to have violated Government rules requiring thorough destruction of classified material, a senior Federal official said today.

The official, Steven Garfinkel, head of the Information Security Oversight Office, said the procedures attributed to the Acme Reporting Company of Washington by the Federal Bureau of Investigation for discarding classified documents did not comply with a June 1982 Federal directive. It requires companies and Government agencies to shred or burn unneeded classified material or turn it into pulp.

'Insufficient,' Official Says

Mr. Garfinkel's assessment was based on testimony by an F.B.I. agent, Michael Giglia, at a court hearing Saturday. Mr. Giglia said an Acme official had told him that the company "maintains copies of top secret and secret documents in its safe. These documents are disposed of by ripping them by hand and placing them in the trash."

"I can't even begin to tell you how insufficient that is," said Mr. Garfinkel, whose office sets the Federal standards for handling classified information.

The Acme deliveryman, Randy Miles Jeffries, was arrested Friday evening and charged with espionage. The F.B.I. said he tried to sell transcripts of secret House of Representatives committee hearings to the Soviet Union. Congressional officials said Acme prepared transcripts for the House Armed Services Committee.

Access to Ripped-Up Documents

Mr. Garfinkel said the directive on procedures for disposal of sensitive information had been distributed to all Government contractors dealing with such material.

Government sources familiar with the case said today that suspicions arose after Mr. Jeffries was spotted at the office of the Soviet military attaché in routine surveillance of Soviet facilities. They said a meeting at which Mr.

Jeffries offered to sell secret documents to an undercover agent who was posing as a Soviet spy had been videotaped for possible use at trial.

Mr. Giglia testified at the hearing that Mr. Jeffries had told the undercover agent that he had access to "a bag full of top secret and secret documents which were ripped up but which could be put back together."

Mr. Jeffries will be arraigned before a Federal magistrate Monday. His lawyer, at a hearing Saturday, did not say how Mr. Jeffries would plead.

An official of Acme, who spoke on the condition that he not be identified, said that the destruction of documents in the manner described in the F.B.I. agent's testimony was not the company's standard procedure. He said the classified material at issue in the Jeffries case was being prepared for destruction in a Government-approved shredder.

A statement issued by the company on Saturday said that Acme had cooperated with the F.B.I. in the investigation. It said: "Acme has comprehensive security procedures in place to protect classified and confidential material. Acme has handled classified data for more than 11 years and this is the first time a question has arisen involving a person working for Acme."

Mr. Garfinkel said that a company violating Government rules for handling classified material could face administrative sanctions, like the loss of its security clearance. This would prevent a company from doing any further work involving sensitive Government documents.

Questions on Security Procedures

The Jeffries case has raised questions about Congressional security procedures at a time when the Reagan Administration is taking a number of steps to counter espionage and tighten control of sensitive information by the executive branch. Last month, a report

by a Pentagon Commission headed by a retired Army general, Richard G. Stilwell, expressed concern about Congressional procedures for dealing with secret material.

"Little attention is given to the handling and storage of such information by Congressional staffs," the report said. It recommended that the President urge the House and Senate to adopt rules providing uniform controls over classified information provided to Congress by executive agencies.

Congressional aides said today that procedures for transcribing closed hearings vary from committee to committee. The House Intelligence Committee, which is studying the overall question of Congressional security procedures, uses House employees with security clearances for transcribing secret sessions and does not permit them to leave the premises with classified information, an aide said.

Some other committees, however, employ private companies for recording closed hearings. The stenographers must receive a Government security clearance.

Plan for Restricting Access

Senator Patrick Leahy, the Vermont Democrat who is vice chairman of the Senate Select Committee on Intelligence, said he would call for the creation of a special cadre of transcribers who work directly for Congress and handle all committee hearings.

Representative Lee H. Hamilton, the Indiana Democrat who is chairman of the House Intelligence Committee, said his panel is studying the problem, but added: "You get into costs. Complete security is a very expensive matter."

Meanwhile, Government sources familiar with the arrest of Mr. Jeffries said the case appeared to be an instance in which routine counterintelligence procedures paid off.

The report by General Stilwell's commission said that enforcement of the Government rules on classified information for private contractors should be improved. It said a force of only 225 Defense Department investigators police the practices of an estimated 13,000 contractors, a system

that it called "seriously understaffed."

The Government sources, who spoke on the condition that they not be identified, said Mr. Jeffries was seen visiting the office of the Soviet military attaché. American counterintelligence agents routinely monitor the traffic through Soviet buildings in both the United States and abroad.

Several of the espionage cases this year have shown failures in this system of surveillance. Ronald W. Pelton, a former employee of the National Security Agency, who has been charged with selling classified information to the Soviet Union, told the F.B.I. that he met with the Russians in both their embassy in Washington and at the home of the Soviet ambassador in Vienna, according to court papers.

The F.B.I. did not initially know Mr. Jeffries's identity or place of employment, Government sources said.

'Basic Counterintelligence'

Norman A. Zigrossi, the special agent in charge of the bureau's Washington field office, said late Saturday, "A lot of the work involved basic counterintelligence techniques where we tried to identify a suspect."

"We developed a lot of background on the individual," he said.

By Friday, a meeting was arranged between Mr. Jeffries and the undercover agent. Mr. Zigrossi would not explain how the Federal agent tried to convince Mr. Jeffries that he was a Soviet operative.